

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF HENDRON WATER)	
DISTRICT FOR AN INCREASE IN AND)	
ESTABLISHMENT OF CERTAIN NON-)	CASE NO. 92-321
RECURRING CHARGES AND SPRINKLER)	
SYSTEM RATES)	

O R D E R

On September 17, 1992, Hendron Water District ("Hendron") applied for an increase in its Service Connection Charge for 5/8 x 3/4 inch meters from \$350 to \$450; 3/4 inch meters from \$425 to \$475; and authority to change 1 1/2 inch and 2 inch meter charges to "Actual Cost." Hendron also proposed to establish the following charges:

	<u>During Office Hours</u>	<u>After Hours</u>
Meter Replacement After Non-payment	\$ 25	\$ 50
Reestablish Service After Non-payment	15	35
Service Calls	15	35
Returned Checks	15	-
Meter Testing	15	-
Service Charge (To transfer a a service into a homeowner's name with a signed homeowners contract)	15	-
Transfer of Service to a New Buyer (meter left in place)	15	-
Establish Service	25	-

Sprinkler Systems

3 inch lines	\$20 per month
4 inch lines	25 per month
6 inch lines	30 per month
8 inch lines	40 per month

Hendron's proposed \$475 Service Connection charge for 3/4 inch meters yields more revenue than is required to pay the expenses of \$467 incurred in rendering the service. This charge, therefore, should be denied.

Hendron's proposed tariff indicates that its Meter Tamper Repair fee of \$50 is a minimum charge. Cost justification of non-recurring charges, however, should be based on an average amount of the expenses incurred as a result of performing the service and not the minimum amount. This charge, therefore, should be denied.

The Reestablishment of Service charges on Sheet 9 of Hendron's proposed tariff do not provide for after-hours service. The tariff should be revised to indicate these charges.

Hendron has provided evidence of the individual expenses incurred to provide the services associated with the proposed charges. After reviewing the evidence of record and being sufficiently advised, the Commission finds that with the exception of the proposed service connection charge for 3/4 inch meters and meter tamper report fee, the proposed charges relate directly to the service performed and yield only enough revenue to pay the expenses incurred in rendering the service. It further finds that the charges set forth in the Appendix to this Order are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. Hendron's proposed Meter Tamper Repair fee be and it hereby is denied.

2. Hendron's proposed Service Connection charge for 3/4 inch meters be and it hereby is denied.

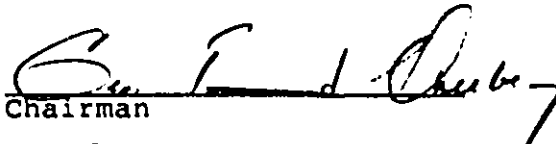
3. Hendron shall revise its tariff to indicate Reestablishment of Service charges for after-hours service.

4. The charges in the Appendix to this Order, which is attached hereto and incorporated herein, be and they hereby are approved for services rendered on and after the date of this Order.

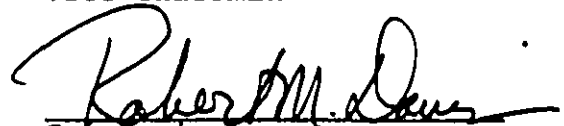
5. Within 30 days of the date of this Order, Hendron shall file its revised tariff sheets setting out the charges approved herein.

Done at Frankfort, Kentucky, this 1st day of February, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-321 DATED FEBRUARY 1, 1993.

The following rates and charges are prescribed for the customers in the area served by Hendron Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Service Connection Charges

5/8 x 3/4 Inch Meters	\$450
3/4 Inch Meters	467
1 1/2 Inch Meters	Actual Cost
2 Inch Meters	Actual Cost

Non-Recurring Charges

	<u>Office Hours</u>	<u>After Hours</u>
Meter Replacement After Non-Payment	\$25	\$50
Reestablish Service After Non-Payment	15	35
Service Calls	15	35
Returned Checks	15	-
Meter Testing	15	-
Service Charge (to transfer a service into a homeowner's name with a signed homeowner's contract)	15	-
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